

The Washington Utilities and Transportation Commission

Contact: Marilyn Meehan (360) 664-1116

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UT-033011

Editor's note: This news release outlines a settlement agreed to by the staff members of the Washington Utilities and Transportation Commission. In formal proceedings, such as this case, commission staff operate as an independent party. The three-member panel of commissioners are NOT a party to this settlement. The commissioners must review, consider and decide whether this settlement should go into effect.

OLYMPIA, Wash. – Qwest Corporation has agreed to pay a \$7.8 million penalty in a proposed settlement of a formal complaint about its practices toward rival phone companies. The agreement was filed today and must be approved by the Washington Utilities and Transportation Commission (WUTC).

The formal complaint was about Qwest's failure in 2000 and 2001 to file some contracts with competitive local telephone companies for the use of the company's network. Federal law requires that telephone companies file these interconnection agreements with state regulators and make the agreements available to other competing telephone carriers. The WUTC complaint also alleged that Qwest violated state anti-discrimination law by offering discounts and extra services to some telephone companies without offering them to others.

The proposed settlement provides for Qwest to admit that it violated the federal filing requirements. Qwest does not admit that it violated the state anti-discrimination laws, but the company agrees not to appeal a WUTC order finding that the company willfully and intentionally violated those laws. Qwest also agrees to pay for an outside monitor of its contracting process and to comply with the filing requirements in the future.

The \$7.8 million penalty, if approved by the WUTC, would be the largest penalty ever assessed by the state agency. Ten other telephone companies, who were parties to

the agreements with Qwest, have already agreed to pay penalties for violating the federal filing requirements.

The parties to the proposed settlement are Qwest, the staff of the WUTC and the Public Counsel section of the Attorney General's Office.

The WUTC is the agency in charge of regulating the rates and services provided by local telephone companies to customers within the state of Washington.

Qwest, formerly known as US West, is the largest telephone provider in Washington, serving more than 2.3 million customers. The Denver-based phone company provides phone service to many cities in Washington including: Seattle, Tacoma, Bellevue, Olympia, Bellingham, Aberdeen, Longview, Vancouver, Bremerton, Spokane, Moses Lake, Yakima, Pasco and Walla Walla.

A copy of the proposed settlement is available at the WUTC's web site:

<http://www.wutc.wa.gov/033011>

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